

# Deregulation and Cable

## Background

As part of the Telecommunications Act of 1996, Congress deregulated most aspects of cable rate regulation. The Federal Communications Commission (FCC) no longer has the authority to accept or resolve complaints about cable rates.

## Who Regulates Rates ?

Your **local franchising authority (LFA)**, which is the local city, county or other governmental organization authorized by your state to regulate cable television service, still retains the authority to regulate the rates for the basic services tier. The basic services tier is the service tier that contains your local broadcast, public, educational and government channels. However, if the FCC has found that effective competition exists in your community, the LFA may not regulate the rates for even the basic services tier. In addition, the rates of certain small cable companies are not regulated.

The rates for any tier of service other than the basic services tier, and for any pay-per-channel programming (for example, a premium movie channel) and pay-per-program services (for example, pay-per-view sports events) are not regulated. Your cable company is free to charge an unregulated rate for these services. However, in general, your cable company may not require you to purchase any additional services other than the basic services tier in order to have access to pay-per-view events or premium channels offered on an "a la carte" or individual basis. On the other hand, there is no law that requires a cable company to allow you to select and pay for only the channels that you like from a tier of service.

## What to Expect from Your Cable Company in a Deregulated Marketplace

- When the basic services tier rates are regulated by the LFA, consumers may expect the LFA to review any basic services tier rate increases to determine whether they are justified by increases in the cable company's programming or other costs, plus inflation. Questions concerning this review process should be directed to the LFA. If consumers are not satisfied with their cable rates, they should look for alternative multichannel video programming services that may be available in their area, such as competitive cable services, satellite television services, and open video system services.
- Consumers are entitled to write or call their cable companies whenever they have complaints about the cable services provided on the various channels, or about program cost increases, and they should expect a speedy response.

## Complaints about Cable Rates, Customer Service, Franchise Fees and Programming

Contact your LFA, and not the FCC, with complaints regarding basic cable service rates, customer service, franchise fees, and programming. The name of your LFA may be found



on your cable bill or in your local telephone book. Contact your cable company with complaints about rates for pay-per-channel and pay-per-program services, which are not subject to regulation.

For more information, contact the FCC toll free at: 1-888-CALL-FCC (1-888-225-5322) voice, 1888-TELL-FCC (1-888-835-5322) TTY, or, submit a written inquiry to:

Federal Communications Commission  
Consumer & Governmental Affairs Bureau  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

You may also contact your local and state consumer protection organizations for assistance in understanding your rights and responsibilities as a cable subscriber.

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